



**SCHOOL EMPLOYER ADVISORY COMMITTEE MEETING**

**February 13, 2008  
09:30 to 12:00 noon  
CalPERS  
Sacramento**

**MINUTES**

**CalPERS Staff:**

Cindy Alameda  
Fidel Baldenegro  
Donna Beaumont  
Gwen Bridges  
Danny Brown  
Olivia Castro  
Teresa Cox  
Karen DeFrank  
Mary Fields  
Mary Lynn Fisher  
Andrea Harris  
Sylvia Harris  
Dana Hlawaty  
Nicole Horning  
Nova Horton  
Carlous Johnson  
Karl Klun  
Jean Krum  
SalliAnne Maliguine  
Marion Montez  
Chris Owen  
Marsha Poletti

Steve Propp  
Mark Quillici  
Devonne Schmolke  
Marilyn Scott  
Sharen Scott  
Hillary Sunada  
Rhonda Townsend  
Lani Walthers  
Scott Yates

**Advisory Committee  
Members:**

Amy Adams  
Brenda Boothe  
Tammy Britt  
Ellie Cervantes  
Vickie Chang  
Veena Chaudhri  
Ramona Coker  
Carol Cook  
Sue Daniel  
Kim Deadmore  
Jana DeMeyer

Deepa Desai  
Paula Driscoll  
Pam Fowler  
Vickie Gilbert  
Jenny Goodspeed  
Judy Herzer  
Lisa Hotchkiss  
Kelly Kagoshima  
Tammie Knott  
Sherry Lack  
Denise Lawrence  
Rudy Lopez  
Dawn Maden  
Sharon Marshall  
Frances Meraz  
Carolyn Nielsen  
Sharie Ortega  
Debra Pepperdine  
Beth Qualle  
Sue Saputo  
Tina Tillman  
Choy Wong

## **INTRODUCTION**

Karen DeFrank, Assistant Chief of the Employer Services Division, welcomed everyone.

## **LEGISLATION UPDATE (PDF, 61 KB)**

Danny Brown, Assistant Chief, Governmental Affairs, provided an update on the Governor's Pension Commission. The full report is available online at [www.pebc.ca.gov](http://www.pebc.ca.gov). He noted that eight of the Commission's recommendations advised new legislation. Currently, there are two active bills direct from the Commission's recommendations: S.B. 1123 and A.B. 1844.

### **A.B. 1844, Hernandez - Public Employee Benefits**

(1) Establishes a definition of, and penalties for fraud when done so in connection with benefits, or an application for benefits, administered by CalPERS, CalSTRS, or '37 Act County System. (2) Allows CalPERS investigators increased access to information maintained by the Employment Development Department or by the workers' compensation insurers with respect to an investigation of benefit eligibility or unlawful application for, or receipt of benefits. (3) Requires public agencies to report OPEB information to the State Controller. Also requires the State Controller to develop a simple and inexpensive procedure to collect and report this information. (4) Requires that the Enrolled Actuary's cost analysis include normal cost and any additional accrued liability. The Agency chief executive officer shall attest in writing that he or she understands the current and future costs.

### **S.B. 1123, Wiggins - Pension and OPEB Benefit Cost Estimate Best Practices and Disclosure**

Requires state and local legislative bodies to review the impact of future annual costs associated with OPEB increases before their approval. These actuarial impact statements must be produced by an enrolled actuary and made public at a meeting of the legislative body at least two weeks prior to its adoption. Requires an actuary to attend the meeting and prohibits the legislative body from approving new benefits or benefit increases by means of a consent calendar. Creates a California Actuarial Advisory Panel to provide information on pensions, OPEB's, and best practices to the Legislature, the Governor, public retirement systems, public agencies, and interested parties, including actuarial model policies, and pricing, disclosure and quality control standards for public sector actuaries.

**[PENSION SYSTEM RESUMPTION PROJECT UPDATE \(PDF, 112 KB\)](#)**

SalliAnne Maliguine, Assistant Chief, Employer Services Division presented the status of the PSR project. SalliAnne gave a brief overview of the project for new members in the audience. Then, she outlined the system changes and benefits as they relate to employers and participants. She closed with key project dates and a call to employers to stay informed and help spread the word.

All CalPERS employers were sent a Circular Letter about the new technology and business practices.

[2008 Circular Letters \(PDF, 35 KB\)](#)

**Sign up for Employer eBulletins:**

Visit the Employer Section of CalPERS On-Line or click here:

[CalPERS Employer eBulletin](#)

**Questions about the PSR project:**

[Pert4u@calpers.ca.gov](mailto:Pert4u@calpers.ca.gov)

**UNUSED EDUCATION LEAVE**

Gwen Bridges, Retirement Program Specialist, provided a response to a question generated at the November Committee meeting. Unused Education Leave does not apply to school districts. It only applies to State and University employers.

**[CONCURRENT RETIREMENT \(PDF, 25 KB\)](#)**

Lani Walters, Manager of the Retirement and Calculation and Adjustment Section of the Benefit Services Division and the CALAPRS Reciprocity Contact person for retirement questions, presented an overview of the rights and benefits for a person who is a CalPERS and CalSTRS member. She presented a side-by-side comparison of both plans as they relate to: Concurrent Employment, Concurrent Retirement, Eligibility for Non-Reciprocal Benefits, Redeposit Rights, Refund Restriction, Minimum Age Requirement, Minimum Service Requirement, Final Compensation, and Disability Retirement.

## **RIGHT OF ELECTION**

Teresa Cox, Retirement Program Specialist with the Member Services Division, presented an overview of the CalPERS and CalSTRS Right of Election. Right of Election allows certain employees the opportunity to retain membership in their current retirement system when a change to a new position requires membership in another retirement system.

Click here for FAQs about the CalPERS/CalSTRS Right of Election:  
[FAQs - CalPERS/CalSTRS Right of Election](#)

## **OPEN DISCUSSION**

- Attendees indicated there are discrepancies between the current procedures manual and the billing practices. Steve Propp, Manager of the Membership Analysis and Design Unit, provided this response:

Government Code Section 20283 says that “Any employer that fails to enroll an employee into membership when he or she becomes eligible, or within 90 days thereof, when the employer knows or can reasonably be expected to have known of that eligibility” will be required to pay both the employer and employee share of contributions, plus \$500 per person.

The ERSD Membership Unit routinely applies the provisions of 20283 for those situations where there is no reason for the employer not to have known of the employee’s eligibility; for example, if they simply didn’t notice that the person had completed 1,000 hours in a fiscal year until 90 days had passed, or if they didn’t confirm whether or not the individual was already a CalPERS member.

In cases that are more complex (e.g., independent contractor determinations, third-party employment situations, etc.), no “blanket” approach can be taken, and 20283 determinations are made on a case-by-case basis.

- Attendees generated questions about the Pension System Resumption Project including:
  - ✓ What are the PSR business rules?
  - ✓ Will PSR have more accessible information than available in ACES?
  - ✓ Can employers have information to communicate with vendors?
  - ✓ What are the record length and requirements for the unique user ID?

### **AGENDA ITEMS FOR THE NEXT MEETING**

- Update on furloughs
- PSR Update
- Office of Government Affairs
- Working After Retirement

Adjourned: 12:00 p.m.